



OLIVUT RESOURCES LTD.

**Annual Information Form
Fiscal Year Ended October 31, 2007**

March 25, 2008

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FORWARD-LOOKING STATEMENTS AND FUTURE ORIENTED FINANCIAL INFORMATION

Included in this Annual Information Form, and the documents incorporated herein by reference, are forward-looking statements, including future oriented financial information, with respect to Olivut Resources Ltd. (“**Olivut**” or the “**Corporation**”). Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “does not expect”, “is expected”, “budget”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or equivalents or variations, including negative variations, of such words and phrases, or statements that certain actions, events or results, “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements include, without limitation, those with respect to the future price of diamonds, changes to mineral reserves and resources, the realization of mineral reserves estimates, the timing and amount of estimated future success of exploration activities, changes to the Corporation’s hedging practices, currency fluctuations, requirements for additional capital, changes to government regulation of mining operations, outcomes of title disputes or claims and the timing and possible outcome of pending litigation. Forward-looking statements rely on certain underlying assumptions, that if not realized, can result in such forward-looking statements not being achieved. For example, certain of these underlying assumptions include: that the current year’s exploration program will build on that of the past year’s and therefore, exploration costs do correlate to those expenditures made historically to the same suppliers and vendors; that the ability to conduct exploration in 2007 effectively indicates the ability to do so in the near future; that the ability for the Corporation to raise capital in the future remains consistent with past experiences when raising capital and that diamonds will remain a sought after commodity which will in turn enable the Corporation to raise funds when necessary ; and that current and past government regulation will not change to adversely effect the Corporation’s ability to conduct its programs. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Corporation to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others, the inherent risks involved in the exploration and development of mineral properties, uncertainties involved in interpreting drilling results and other ecological data, fluctuating mineral prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors described in the section entitled “*Description of the Business – Risk Factors*”. Although the Corporation has attempted to identify important factors that could cause actual actions, events or cause actions, events or results not to be estimated or intended, there can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Other than as required by applicable Canadian securities laws, the Corporation does not update or revise any such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements.

Unless otherwise stated in this Annual Information Form, the information contained herein is at October 31, 2007 and all currency references are in Canadian dollars.

CORPORATE STRUCTURE

Name, Address and Incorporation

Olivut Resources Ltd. (“Olivut” or the “Corporation”), formerly known as Arrabiata Capital Corp., was incorporated under the laws of British Columbia on June 23, 2000 and was continued into the jurisdiction of Ontario on January 5, 2007.

As of the date of this Annual Information Form, the Corporation’s head and registered office is located at 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario M5L 1B9.

Inter-corporate Relationships

On August 30, 2006, the Corporation incorporated a wholly-owned subsidiary, 2111940 Ontario Inc. (“Subco”) under the *Ontario Business Corporations Act*. On January 8, 2007, Subco amalgamated with Olivut Investments Ltd. (“Olivut Investments”), a private diamond exploration company which had continued into the jurisdiction of Ontario from the Northwest Territories on June 16, 2006. The resulting entity is known as “Olivut Investments Ltd.” and is a wholly-owned subsidiary of the Corporation.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

As of the date of this Annual Information Form, the Corporation is engaged in the exploration and development of properties for the purpose of mining precious minerals. The Corporation, through its subsidiary, Olivut Investments, holds a beneficial interest in the “HOAM Project” which relates to the 54 prospecting permits and 32 claims covering 2,168,261 acres in the south-western part of the Northwest Territories that are subject to the National Instrument 43-101F1 report dated March 15, 2006 entitled: “HOAM Report on Birch Lake, Lac Grandin, Last Stop and Liard River Properties, comprising the HOAM Project located in NTS 85L, 85M, 95H, 95O, 95P, 96A and 96B, Northwest Territories, Canada,” prepared by Paul Pitman, B.Sc., P.Geo. (the “HOAM Report”). A copy of the HOAM Report is available under the Corporation’s public documents on SEDAR, which can be accessed at www.sedar.com. Subsequent to the date of the HOAM Report, the Corporation acquired 12 additional prospecting permits and six mineral claims. For further information on these new permits and claims, please refer to “Description of the Business – General – Subsequent Events since the date of the HOAM Report - Description and Location of Permits and Claims.”

Business Combination – Acquisition of the HOAM Project

Prior to January 8, 2007, the Corporation was a capital pool company as defined in TSX Venture Exchange (“TSXV”) Policy 2.4 and did not conduct any business other than to identify and evaluate potential opportunities for acquisition of an interest in assets or businesses, and once identified and evaluated, to negotiate an arm’s length acquisition or participation (a “Qualifying Transaction”). The Corporation completed its initial public offering on June 10, 2003, and listed its shares on the TSXV on August 6, 2003 under the symbol ABC.P.

The Corporation unsuccessfully attempted to complete Qualifying Transactions in 2003 with Terra Gaia Inc. and again in 2005 with Biosign Technologies Inc. The latter transaction was not completed by April 15, 2006 and on April 18, 2006 the Corporation's listing was changed from TSXV Tier 2 ("**Tier 2**") to the TSXV's NEX Board in accordance with TSXV Policy 2.5. Consequently, on April 18, 2006, the trading symbol for the Corporation was changed from ABC.P to ABC.H.

On June 28, 2006, the Corporation completed a non-brokered private placement of 5,000,000 common shares of the Corporation at a price of \$0.10 per share.

On July 10, 2006, the Corporation entered into a letter of intent (the "**Letter of Intent**") with Olivut Investments pursuant to which the businesses of Olivut Investments and the Corporation would be combined (the "**Business Combination**"). The parties also agreed to finance the business combination by raising approximately \$5 million in subscription receipt offerings.

On April 3, 2006, Olivut Investments entered into a loan agreement (the "**Magnum Loan**") with The Magnum Partnership ("**Magnum**") pursuant to which Olivut Investments borrowed \$500,000 at an interest rate of 8% per annum payable on March 31, 2007 or sooner if a business combination or an initial financing was completed. On July 24, 2006, Olivut Investments issued 500,000 flow-through subscription receipts to Magnum (the "**Magnum Subscription Receipts**") in consideration for the release of the Magnum Loan which entitled such designates to receive upon exercise 500,000 flow-through shares of Olivut Investments for no additional consideration. The Magnum Subscription Receipts were deemed to be automatically exchanged into flow-through shares of Olivut Investments immediately prior to completion of the Business Combination and converted into flow-through shares of the Corporation following the Business Combination.

On August 11, 2006, Olivut Investments issued, by way of a brokered private placement, 600,000 subscription receipts ("**Subscription Receipts**") and 1,400,000 flow-through subscription receipts ("**FT Subscription Receipts**"), at a price of \$1.00 each, for aggregate gross proceeds of \$2 million. On September 22, 2006, Olivut Investments issued, by way of a brokered private placement, 2,170,000 Subscription Receipts and 877,500 FT Subscription Receipts, at a price of \$1.00 each, for aggregate gross proceeds of \$3,047,500. Each Subscription Receipt and FT Subscription Receipt entitled the holder thereof to receive one share and one flow-through share, respectively, in the capital of Olivut Investments for no additional consideration. Upon completion of the Business Combination, the shares and flow-through shares of Olivut Investments issued pursuant to the private placements were deemed exchanged for common shares and flow-through shares of the Corporation, respectively.

On November 6, 2006, the Corporation entered into a business combination agreement (the "**Business Combination Agreement**") with Olivut Investments. Pursuant to the terms of the Business Combination Agreement, Olivut Investments amalgamated (the "**Amalgamation**") with Subco pursuant to an amalgamation agreement dated November 6, 2006 among the Corporation, Olivut Investments and Subco (the "**Amalgamation Agreement**"). On January 5, 2007, the Corporation's common shares were subdivided on a 1 for 1.558 basis such that the issued and outstanding common shares of the Corporation were 10,310,532 new common shares of the Corporation. The Corporation issued to each registered

holder of shares of Olivut Investments one common share of the Corporation for each share of Olivut Investments. Each outstanding common share of Subco was exchanged for one share of Olivut Investments. As consideration for the issuance of the common shares of the Corporation to effect the Business Combination, Olivut Investments issued to the Corporation one share of Olivut Investments for each common share of the Corporation so issued.

The Business Combination was completed on January 8, 2007 and constituted the Corporation's Qualifying Transaction under the policies of the TSXV. On January 9, 2007 the Corporation received final approval of the Business Combination Agreement from the TSXV, and shares of the Corporation began trading on the TSXV on January 10, 2007.

Pursuant to the Business Combination, the existing 560,000 common share purchase warrants to acquire common shares of Olivut Investments were exchanged on a 1 to 1 basis to become common share purchase warrants to acquire common shares of the Corporation ("**Olivut Warrants**"), entitling the holder thereof to purchase one common share of the Corporation at a price of \$1.00 per share. The Olivut Warrants expired on January 10, 2008.

In addition, the Corporation's share option plan (the "**Option Plan**"), originally adopted on April 30, 2004, was resumed upon completion of the Business Combination. The Option Plan provides that the board of directors of the Corporation may, from time to time, in their discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable incentive stock options to purchase Olivut Shares, exercisable for a period of up to five years.

On May 14, 2007 the Corporation issued, by way of a brokered private placement, 4,600,000 units (the "**Units**") at \$1.75 per Unit for gross proceeds of \$8,050,000. Each Unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Corporation at an exercise price of \$2.00 per common share and expires on May 14, 2009. In connection with this offering, the brokers received 322,000 broker warrants, each warrant giving them the right to purchase one common share at \$2.00 per share up to May 14, 2008.

DESCRIPTION OF THE BUSINESS

General

Summary

As of the date of this Annual Information Form, the principal business carried on and intended to be carried on by the Corporation is the acquisition, exploration and development of properties for the purpose of mining precious and base minerals. The Corporation is in the process of exploring its properties for mineral resources and has not determined whether the properties contain economically recoverable reserves. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations (see "*Description of the Business - Risk Factors*"). The Corporation's current properties are in the Northwest Territories, Canada within the geographic area including the Birch Lake, Lac Grandin, Last Stop and Liard River

Properties located in NTS 85L, 85M, 95H, 95O, 95P, 96A, and 96B of the Northwest Territories, Canada (the “**HOAM Project Area**”).

Royalty Agreement

A royalty agreement (the “**Royalty Agreement**”) was entered into on December 23, 2003 among Olivut Investments, Leni Keough, Eric Craigie and Adamas Minerals Inc. (“**Adamas**”), which agreement was assumed by Olivut Investments upon Olivut Investments’ prior amalgamation with Adamas, completed on June 26, 2006. If certain of the property in the HOAM Project Area (as specified in the Royalty Agreement) is put into commercial production, the Corporation agrees to pay each of Ms. Keough and Mr. Craigie a net smelter returns royalty equal to 0.75% of the net smelter returns. The Corporation reserves the right to purchase all and not less than all of Ms. Keough’s and Mr. Craigie’s rights to receive a net smelter returns royalty under the Royalty Agreement for \$10,000,000 and such right of purchase lasts for two years commencing on January 10, 2007.

Exploration Property: The HOAM Project

Details of the Project Area and Work up to the date of the HOAM Report

The HOAM Report dated March 15, 2006 was prepared by Paul Pitman. Mr. Pitman is a “qualified person,” as defined in National Instrument 43-101, who is independent of the Corporation. Mr. Pitman has reviewed and verified the scientific and technical mining disclosure contained in this Annual Information Form. A copy of the HOAM Report is available under the Corporation’s public documents on SEDAR, which can be accessed at www.sedar.com.

For information on developments since the date of the HOAM Report, please refer to the section of this Annual Information Form entitled “*Description of the Business – General – Subsequent Events since the date of the HOAM Report*”.

The HOAM Report reviews the ownership of the HOAM Project, its geology and mineralization. Mr. Pitman visited the HOAM Project and reviewed relevant reports and data during the period from July 20 to July 24, 2005. Core from three holes drilled on the Liard properties was studied in a secure core storage facility near Hinton, Alberta. No independent samples of the core were taken. During the field visit to the HOAM Project, time was taken to ground verify several of the claim posts and attached tags as well as to visit the drill sites and collars of the drill holes. Land status and ownership were verified using the Indian and Northern Affairs Canada SID Viewer online web page. Discussions with Olivut Investments staff were held on site, at the core warehouse and at Olivut Investments’ Hinton, Alberta office. Mr. Pitman also reviewed various maps, technical reports and public documents that were provided by Olivut Investments.

The metric system is used for units of measurement in the HOAM Report except for historical figures and for the sizes of mineral claims and prospecting permits which are given in acres (permitting and claim staking are still done in the Northwest Territories using Imperial measurements).

A glossary of mining and technical terms is appended to this Annual Information Form as Appendix "A".

Property Description and Location

Area and Location and Nature and Extent of the Corporation's Title

The Corporation's HOAM Project Area covers part of the Interior Plains region south of Great Bear Lake in the southwestern part of the Northwest Territories. Pursuant to the Olivut Trust Agreements, Juanita Rocher, J. Lind and Maureen Bernier hold 100% of 54 prospecting permits and 32 claims within this region in trust for Olivut Investments. They can be grouped into non-contiguous blocks designated from north to south as Birch Lake, Lac Grandin, Last Stop and Liard River. Total area covered by the property is 2,168,261 acres (877,495 hectares). The Corporation recently acquired 12 additional prospecting permits increasing the total area covered by the property to 2,648,257 acres (1,071,711 hectares). These permits are held in trust for the Corporation and no exploration has begun on them. The Corporation conducted airborne magnetic surveys over these permits.

The Birch Lake ground is centered approximately at 122° West and 64°30' North. It consists of 35 prospecting permits in two non-contiguous groups and 13 individual claims. Lac Grandin consists of three separate claims, a group of 16 contiguous prospecting permits and one isolated prospecting permit, centered approximately at 120° 15' West; 63° 45' North. Last Stop lies in the eastern part of the HOAM Project Area at 118° West and 62° 25' North. It consists of a block of 4 claims. The Liard River ground lies within the southern part of the HOAM Project Area and consists of a contiguous block of 2 prospecting permits and 6 claims, a second contiguous block of 3 claims, and 3 isolated claims. It is centered approximately at 61° 40' North; 121° 30' West.

The HOAM Project Area lies within three traditional Aboriginal settlement regions of the Northwest Territories: the Sahtu in the north, the North Slave in the east and the Deh Cho in the center and south. Land claims have been settled in the Sahtu and an interim agreement is in place in the Deh Cho. The North Slave Region lies within Treaty 11 where negotiations are ongoing. Land use permits are required to conduct specified types of exploration. Since the two-phase exploration program recommended in the HOAM Report falls below the land use requirements, no land use permits will be required.

Royalties, Agreements and Encumbrances

As discussed above, the HOAM Project is subject to a gross overriding royalty of 1.5% of which 0.75% is payable to Leni Keough and 0.75% to Eric Craigie.

Environmental Liabilities

The HOAM Project Area is not subject to any environmental liabilities. The Last Stop claims are located at the edge of the proposed Edehzhie Protected Area that is currently subject to an interim land withdrawal. Acquisition of a land use permit for these claims could involve an extensive consultative process.

Location of Mineralization

Three drill holes completed by Olivut Investments on the Liard mineral concessions in 1998 intersected ultramafic diatremes, which Olivut Investments described as ultramafic lamprophyric breccias; a non-genetic classification that was made in the field prior to petrographic examination of the drill core. Studies on the core confirmed that the diatremes are kimberlitic. Although analyses by Lakefield Research of core samples from all three holes returned no diamonds, the presence of kimberlite and the occurrence in stream sediments of indicator minerals with excellent chemistry suggest that there is good potential for diamond deposits in this area of the Interior Plains.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access

Fort Simpson is the major settlement; it is located within the southwestern part of the HOAM Project Area and is linked by the all-weather Mackenzie and Liard Highways to Yellowknife, and to northern Alberta and northern British Columbia. Wrigley is the northern terminus of the Mackenzie Highway. It is about 200 kilometres north of Fort Simpson and is situated along the Mackenzie River just west of the western edge of the HOAM Project Area. Deline is located near the southwestern corner of Great Bear Lake, just north of the HOAM Project Area. The Norman Wells oil fields are located 150 kilometres northwest of the HOAM Project Area. The Enbridge Pipeline from these fields extends along the eastern side of the Mackenzie River, passes by Wrigley and Fort Simpson, cuts across several of the Liard mineral claims and extends into northern Alberta. Motel-style accommodation is available in the communities. Fixed wing and helicopter charter services are available in Fort Simpson and in Norman Wells.

A few of the larger lakes within the HOAM Project Area can be accessed by fixed wing aircraft on floats but many of the lakes are too shallow. Places not proximal to these larger lakes must be accessed by helicopter. Scheduled air service links Wrigley, Deline and Fort Simpson with Yellowknife. Commercial trucks operate between Wrigley, Fort Simpson, Yellowknife and southern cities. The Mackenzie River is a major transportation route with commercial barge traffic during the ice-free summer and fall.

Climate

The average annual mean temperature for the region is about -6°C, averaging 12°C in the summer and -21°C in the winter. Precipitation is about 300 millimeters per year and there are 150 to 200 mean annual snow days. Snow cover lasts from late October to early May with freeze-up occurring in early November and break-up in early May. Summer weather is generally warm, clear and dry.

Topography, Elevation and Vegetation

The HOAM Project Area is situated within the Great Bear and Great Slave Plains, a physiographic region of low relief underlain by nearly flat-lying sedimentary rocks. The Plains are dominated by abundant shallow lakes and ponds, peat and muskeg. The region is forested with black spruce, jack pine and some birch and aspen. Lower cover consists of willows, and a

variety of shrubs, moss and lichen. Elevations are generally between 250 and 350 meters but upland areas in the Martin, Ebbut, Shegonla, Notseglee and Ortona Hills are over 600 meters. The highest point in the region is on the southern part of the Horn Plateau at 840 meters.

History

The Interior Platform south of Great Bear Lake has seen relatively little mineral exploration. Essentially all of the work carried out by exploration companies has been directed towards diamonds.

In the late 1970s, Diapros Canada Limited, a subsidiary of De Beers, conducted regional stream sediment sampling along the Mackenzie River and its tributaries. They found concentrations of kimberlitic indicator minerals within a drainage basin of the Blackwater River, about 15 kilometres southwest of the Corporation's Birch Lake property. Between 1979 and 1982, they conducted an extensive program of line cutting, till sampling, magnetic surveying and drilling in an attempt to locate kimberlitic bedrock. More than 2,400 till samples were collected and processed. Although several areas with very high kimberlitic indicator minerals in tills were delineated, no kimberlites were found. In 1982, the focus of De Beers shifted to more accessible areas in southern Canada and work in the area was abandoned.

In 1981, Chuck Fipke and Stu Blusson were working for the Superior Oil Company on the Mountain Diatreme in the Mackenzie Mountains, about 300 kilometres west of the HOAM Project Area, when they became aware of De Beers' diamond activities and commenced a small sampling program, west of the De Beers' claims, on behalf of Superior Oil. Based on findings of kimberlite indicator minerals in the samples, Superior Oil acquired eight prospecting permits near Blackwater Lake on February 1, 1982, near the western edge of the HOAM Project Area. However, Superior Oil decided to withdraw from mineral exploration in Canada and turned the project over to Messrs. Fipke and Blusson who on their own collected 100 samples from the area of the permits in 1982. These samples showed that indicator minerals extended off the permits, in an apparent glacial dispersion from sources to the southeast. Between 1983 and 1984, they sampled up-ice, collecting 75 stream sediment samples across the Interior Plains between Blackwater Lake and Lac La Martre near the Precambrian Shield at the eastern edge of the Plains. Many of the samples contained indicator minerals. In 1988, they shifted their focus to the edge of the tundra, about 150 kilometres east of Lac la Martre. Indicator minerals in sediments from the eskers in this area led to the discovery of diamond-bearing kimberlites at Lac de Gras in 1991.

The Selection Trust Division of BP Resources Canada Limited commenced regional sampling within the Interior Plains south of Great Bear Lake in 1984. By 1988, they had collected over 600 samples, covering the area from the edge of the Precambrian Shield to the Mackenzie River and south from Great Bear Lake to the Northwest Territories - Alberta border. This work outlined a region, bounded by Great Bear Lake on the north, the Mackenzie River on the west and south, and the edge of the Precambrian Shield on the east that was anomalous in kimberlitic indicator minerals. Chemical analyses revealed that over 20% of the pyropes were G10 garnets. Samples from areas south of the Liard and Mackenzie Rivers, west of the Mackenzie River, and along the Interior Platform near the edge of the Precambrian Shield, were barren of indicator minerals.

In 1989, BP Resources Limited (“BP”) entered into a joint venture with AUR Resources (“AUR”) that focused on the eastern half of the Horn Plateau and the flatlands north of the Plateau extending to Lac La Martre. In the spring of 1989, this area was covered with an airborne magnetic survey at 500 meter line spacing. The survey delineated a number of weak (5 nT to 15 nT) anomalies but nothing with apparently good kimberlitic signatures. In the spring of 1990, thirteen holes were drilled to test some of the magnetic features; none intersected kimberlite and it was concluded that the magnetic anomalies were related to concentrations of Precambrian material within till. Between 1989 and 1991, the joint venture conducted an extensive till sampling program, collecting over 700 samples. In 1992, BP terminated mineral exploration in Canada. However, AUR continued with the project for two more years, focusing in the area south of Lac La Martre. Although airborne geophysics and reverse circulation drilling were completed, AUR did not find any kimberlites.

In 1993, Jonpol Explorations Limited conducted two airborne magnetic surveys covering about 150 square kilometres southwest of Lac Grandin. One target, a magnetic low, was selected as a high priority and delineated by a ground magnetic survey. It was recommended for drill evaluation but was not tested.

In 1994 and 1995, Major General Resources carried out airborne magnetics and till sampling over the Willow and Hornell Lakes area of the Horn Plateau, and till sampling near Pine Creek, north of the Plateau. Fortune Minerals and SouthernEra Resources were also active at this time conducting airborne surveys and till sampling south of Lac La Martre. Although high numbers of G10 garnets were found in till and stream sediments, results from these work programs were deemed not to be encouraging and no follow-up was done.

In 2002, Patrician Diamonds staked claims to cover the core area of De Beers’ Blackwater property. They completed till sampling and airborne and ground magnetics on the claims. Work on this property by Patrician is ongoing.

Geology Setting

Regional

The HOAM Project Area lies within the Interior Platform geologic province, a vast basin of Phanerozoic sedimentary rocks lying between the Canadian Shield to the east and the Cordillera to the west. Precambrian crystalline and metasedimentary rocks outcrop to the east of the HOAM Project Area and these rocks underlie and form a basement to the Interior Platform sediments. The thickness of the Phanerozoic units varies from a few hundred metres in the eastern part of the HOAM Project Area to in excess of two kilometres in the west.

The Interior Platform sediments include Paleozoic and Mesozoic clastics, carbonates and evaporites. During early Cambrian rifting, deposition was in a marine setting on the continental platform and margin basins. Later, from Middle Cambrian to Jurassic, deposition occurred on the passive margin of the ancient North American continent. Sedimentation through the Cambrian to Jurassic produced a west south westward thickening wedge of shale, limestone, dolostone, and evaporite. As sea levels fluctuated over time, certain areas were uplifted, exposed and eroded.

The Cretaceous brought an end to the relatively quiet tectonic conditions as compressive forces and mountain uplift to the west occurred during the Columbian and Laramide orogenies. The distinction between the earlier Columbian and later Laramide orogenies is difficult to discern west of the HOAM Project Area, and it is probable that the two events were in continuum. The uplifted and deformed rocks include the same Phanerozoic formations that are relatively undisturbed in the subsurface of the Interior Platform. The Franklin Mountains, along the western edge of the HOAM Project Area, are the easternmost range of the Cordillera at the latitude of the Area. Some deformational structures associated with the Laramide orogeny may occur within the subsurface of the HOAM Project Area but most of the structures in this region are probably the result of reactivation of earlier faults.

Uplift in the Cordillera created a trough-like marine foredeep basin into which sediments derived from the mountains were deposited as an eastward tapering wedge. Upon the Late Cretaceous withdrawal of the sea, continental sediments were deposited by easterly-flowing streams that drained the western highlands. Subsequent erosion and glacial events modified the distribution of these deposits. No Tertiary age rocks are known to be preserved within the HOAM Project Area, but paleogeographic reconstructions for the Paleocene indicate that the area remained within an eastward flowing watershed that deposited alluvial clastic rocks eroded from the western uplands.

A study of regional seismic transects across parts of the Interior Platform west and south of Great Bear Lake provided considerable information on the Proterozoic basement sequences, but the review also delineated two extensional regimes that occurred during post-Devonian/pre-Cretaceous and post-Cretaceous times. These would have been optimal periods for kimberlite emplacement.

Property

Birch Lake Area

The area is situated within the Great Bear Plain section of the Interior Platform. All of the mineral concessions are underlain by Cretaceous black shale and minor sandstone. Regional seismic and magnetic data suggest that the Precambrian basement is Hottah Terrane in the east and Fort Simpson Terrane in the west and is buried beneath 2000 metres of Phanerozoic sedimentary rocks, the upper 300 metres of which are Cretaceous. A strong topographic and magnetic, linear feature extends from southeast of Keller Lake, along the east side of the lake, northwesterly through Birch Lake to Keith Arm of Great Bear Lake. This appears to be a Precambrian structure that was reactivated during the Phanerozoic. Bedrock is blanketed by a cover of till but extensive deposits of fluvial sands occur along the Johnny Hoe River, east and north of Keller Lake and around Lac Ste Therese. Ice movement was from southeast to northwest and well-developed fluted moraine occurs east of Keller Lake and northwest of Birch Lake.

Lac Grandin Area

Lac Grandin lies within an area of strong glacial fluting with some moraine ridges in excess of 50 metres high. Orientation of the ridges is south-easterly to north-westerly which marks the direction of glacial advance. Bedrock is not exposed but regional oil wells have

intersected 300 metres of Cretaceous shale above Paleozoic shale, limestone and dolostone. Crystalline basement is Hottah Terrane at a depth of 2000 metres.

Last Stop

The Last Stop claims are located in the eastern part of the HOAM Project Area. They lie in a flat plain of shallow lakes, bogs and glaciofluvial outwash. The area is covered extensively with overburden but outcrops of Horn River Formation shale are exposed along the Horn River a few kilometres southeast of the claims. Magnetic surveys suggest the crystalline basement is Bear Magmatic Zone, near the zone's western edge. Depth to the basement, as estimated from magnetic interpretation, is 300 metres. Bedrock consists of Middle Devonian Fort Simpson Formation shale, Horn River Formation shale and Lonely Bay Formation limestone. In the two holes drilled by Olivut Investments in 1997, overburden thicknesses were 36 metres in LS97-1 and 10 metres in LS97-2. In hole LS97-1, the bedrock subcrop was Fort Simpson Formation extending to a depth of 51.5 metres. The Horn River Formation was intersected from 51.5 to 99.0 metres, and Lonely Bay Formation limestone extended from 99.0 metres to the end of the hole at 149.0 metres. In hole LS97-2, located about 4 kilometres to the southeast of LS97-1, subcrop was Horn River Formation shale which extended to 61.0 metres. Lonely Bay occurred between 61.0 and 118.0 metres where it was underlain by Chinchaga Formation gypsum, dolostone and limestone. The hole terminated in this unit at 161.0 metres.

The main glacial flow direction was to the northwest, but a late phase of ice movement was from east to west.

Liard River Area

The Liard River area is situated in the southern part of the HOAM Project Area and is centered on the junction of the Liard and Mackenzie Rivers. The region is predominantly a flat, forested plain underlain by lacustrine sands and silts. Some of this material has been reworked into aeolian deposits that are stabilized by vegetation. Elevations are about 250 metres except along the two major rivers that are incised as much as 50 metres into the surrounding plains. In the Martin Hills, to the west, elevations reach 600 metres. The plains are underlain by Upper Devonian Fort Simpson Formation shale. Regional oil wells indicate that this unit is on the order of 500 metres thick. Total thickness of the Paleozoic rocks, as shown by oil exploration wells and seismic data, is about 1500 metres. The basement is composed of Hottah and Fort Simpson Terranes. Glacial ice movement was generally from east to west. However, ice flow was deflected by the Martin Hills and the higher elevation Nahanni Range to the west, and bifurcated into a north-westerly direction down the Mackenzie Valley and a south-westerly trend parallel to the present course of the Liard River.

Deposit Type

Diamond Mineralization

Prior to the late 1800s, diamonds were recovered only from alluvial deposits by a variety of placer mining operations in India, Brazil and South Africa. In 1870, mining of the gravels along the Orange and Vaal River systems in South Africa led to the discovery of the dry diggings at Jagersfontein, Dutoitspan and Bultfontein. It was soon realized that the diggings were located in weathered ultramafic igneous rocks that became known as kimberlites, after the

town of Kimberly that had grown up at the site of the dry diggings. For more than 100 years, kimberlite was the only significant primary source rock for diamonds but discovery of diamonds in lamproites of north-western Australia in 1978 changed the focus of explorers. Following the Australian discoveries, new research on diamondiferous bodies in Australia, Arkansas and India suggested that they were in fact lamproite and not kimberlite. To date, the Argyle Mine in Australia is the only significant producer from a lamproite and most exploration for primary diamond deposits continues to be directed at kimberlite.

Secondary production of diamonds continues from alluvial deposits in Brazil and Africa, but because of relatively recent glaciation, Canada is believed to have very low potential for secondary deposits.

Over 540 kimberlites have been found in Canada. De Beers and its joint venture partners have discovered over 210 kimberlites and 139 of these are markedly diamond-bearing. This is a relatively high ratio by world standards where only one in ten kimberlites generally has a significant diamond content.

Following the first discovery of diamondiferous kimberlite in 1991 in the Northwest Territories, production is now underway at Ekati and Diavik and is scheduled to commence at Jericho in 2006 and Snap Lake in 2007, and evaluation of the Victor, Star, Renard and Gahcho Kue kimberlites is at an advanced stage.

Kimberlite Models

Kimberlites are mantle-sourced subvolcanic and volcanic rocks. They intrude through crystalline crustal rocks and, in settings similar to that of the HOAM Project Area such as the Buffalo Hills area of Alberta and the Fort a la Corne district of Saskatchewan, through overlying platformal sedimentary rocks. Kimberlite most commonly occurs in carrot-shaped pipes, as found at Lac de Gras, but dykes and blows also are common. In rare cases it occurs as sills. Three zones have been recognized within kimberlite pipes - the upper crater zone; the main, diatreme zone; and the basal, root zone. Pipes can vary in surface area from less than one hectare to over 200 hectares and the sizes of the pipes generally decrease with depth. Bedrock surface area is a function of the eruptive processes and the level to which the kimberlites have been eroded. Root zone or hypabyssal kimberlites are relatively small and are generally irregular in shape. The diatreme zone makes up the main part of a kimberlite pipe. It typically is circular to ovoid in cross section and has regular, steeply dipping contacts. Diatreme facies grade upwards into crater-facies kimberlite and downwards into hypabyssal facies rocks.

Each zone of a kimberlite has different diamond distribution characteristics. Diatreme zones typically have the simplest internal geology and usually have the least variability in grade. In contrast, the root zones have fairly complex geology and each phase may have significantly different diamond grades. Craters can also be complex, resulting from the interaction of primary pyroclastic processes and secondary re-sedimentation processes, and this can result in variable diamond grades.

Diamond grades of economically viable kimberlites range upwards from 3 carats per hundred tonnes (cpht) to over 200 cpht. Conversely, subeconomic pipes can have grades in excess of 50 cpht. This extensive overlap is a function of the wide range in average value of

diamonds. For some mines, the average value is less than ten dollars a carat whereas in others it can exceed 300 dollars a carat. The Letseng La Terae diatreme in northern Lesotho was a successful mine with a grade of three carats per hundred tonnes because it regularly produced superb quality stones in excess of twenty carats. Parts of the Monastery kimberlite in South Africa have a grade of 50 cpht but it is uneconomic because of relatively low diamond quality. The lowest grade kimberlite that is being successfully mined at present is Frank Smith in South Africa with a grade of about 6 cpht.

Small kimberlite bodies can be economically exploited if their grade is high or their diamonds are of good quality (or both). Koidu, in Sierra Leone, was less than 0.4 hectares in size but had a grade of 100 cpht and an average value of \$200 per carat. The 23rd Congress kimberlite, in Russia, had a grade of over 600 cpht which made it economic despite its small size (1.5 hectares). The Argyle deposit in Australia, although lamproite rather than kimberlite, has an average value of about fifteen dollars a carat but is economic because it has a grade of 600 cpht. Additionally, kimberlites commonly occur in clusters of up to 50 and exploitation of several deposits can occur simultaneously. This is illustrated at Ekati and Diavik, the two operating diamond mines in the Northwest Territories, where the average pipe size is fairly small (about 3 hectares) but mining of several pipes provides for a profitable operation.

Diamond grades can vary significantly even within kimberlites of a single cluster. At Diavik, the A154S Kimberlite has an exceptional grade in excess of 5 carats per tonne whereas the A2 Kimberlite, about two kilometres away, is barren. A total of 64 kimberlite bodies have been found on the 2,400 square kilometre Diavik property, of which one-half are diamond-bearing and the remainder are barren.

Exploration

In the fall of 1992, geologists with Olivut Investments completed a review of the kimberlite potential of the Interior Plains. In 1993, Olivut Investments commenced exploration within the HOAM Project Area. Work to the date of the HOAM Report by the Corporation has comprised stream sediment and till sampling (with the compilation of results for 1,568 samples); 275,000 line kilometres of airborne magnetics; ground geophysics and prospecting on ten targets; core drilling of five holes; and claim staking and permitting. Total expenditures to date on the HOAM Project are in excess of \$7 million.

Birch Lake

In 1994, a stream sediment sampling program was conducted by Olivut Investments in the Birch Lake area. Many of the samples were weakly to moderately anomalous in kimberlitic garnets with the highest count samples (6 to 9 grains) located near Birch Lake. Many of the garnets are strongly subcalcic. There were few kimberlitic ilmenites in the samples. The 2004 airborne magnetic survey delineated a number of magnetic features of potential interest. These occur in three apparent anomaly groupings or clusters south of Birch Lake, northwest of Birch Lake and east of Lac Ste. Therese.

Lac Grandin

Sampling to the east of Birch Lake by Olivut Investments in 1994 delineated an area with low counts of pyrope garnets (one to five grains per sample), but with a good G10 population. The bedrock source of the grains was interpreted to be up-ice, to the west of Lac Grandin. Review of public information in the area showed an airborne magnetic anomaly with a kimberlitic signature that had been outlined by Jonpol Resources in 1993 but had not been drill tested. Part of the area was covered by the airborne magnetic survey in 2004 and several additional targets were delineated. These, along with the Jonpol anomaly, were acquired by staking and permitting.

Last Stop

In September 1993, Olivut Investments collected 23 stream sediment and till samples in the Last Stop area. These contained relatively abundant KIMs (151 pyropes and 61 ilmenites). Although over 16% of the pyropes occur within the G10 field, most are not markedly subcalcic and only four grains have less than 3% CaO. The ilmenite population is dominated by high magnesium and very chromium-rich grains.

In 1995, High Sense Geophysics Limited of Toronto (“**High Sense**”) conducted an airborne magnetic survey at 200 meter line spacing and 80 meter height over the potential source areas of the KIMs. No targets with good kimberlitic signatures were outlined but a cluster of four large (50 to 200 hectares), oval-shaped anomalies was delineated in the area currently covered by the Last Stop claims. From the magnetic data it was estimated that these lay at depths of 200 to 300 meters below surface.

In December 1997, Midwest Drilling of Yellowknife (“**Midwest**”) drilled two vertical BQ-sized holes to test two of the features. Because of difficult drilling conditions, the holes were abandoned at 149 and 161 meters, before reaching the potential sources. Model studies of the magnetic features suggest that they sit in Bear Magmatic Zone basement rocks, at a depth of about 300 meters. The features are strongly magnetic and are believed to be caused by bodies with magnetite content up to 10%. The Bear Magmatic Zone has been identified as having good potential for iron oxide copper gold, IOCG, mineralization and it is suggested that the Last Stop features be considered as potential IOCG candidates.

Liard River

In 1993 and 1994, Olivut Investments collected 237 stream sediments and till samples in the Liard River area. The samples contained up to 20 kimberlitic pyropes and several of the grains in the southwestern part of the area had kelyphitic rinds suggesting minimal abrasion and relatively short transport from their bedrock source. In samples to the northwest, fewer KIMs were recovered and kelyphitic rims were not observed on any of the garnet grains. Unlike some other parts of the HOAM Project Area, ilmenite grains are relatively rare in the Liard River samples. In 1996, High Sense conducted an airborne magnetic survey at 200 meter line spacing and 80 meter height up-ice of some of the anomalous samples in the area between the Liard River and the Martin Hills.

Four magnetic anomalies with kimberlitic signatures were outlined and ground surveys over three of the targets confirmed the signatures. In January and February 1998, Midwest drilled three vertical BQ-sized holes to test three of the targets. No diamonds were found in

small samples of core and indicator minerals recovered from the core suggested that the kimberlites have low diamond potential. However, the program was successful in confirming that kimberlites are present within this part of the Interior Platform. It also suggests that other geophysical targets with similar magnetic signatures will probably be kimberlite.

In April 1998, High Sense extended the airborne survey to the north and east of the known kimberlites. Five new magnetic anomalies were delineated and vetted with ground magnetics. One anomaly is similar in magnetic character and is located ten kilometres north of the known kimberlites. The other targets are located to the southeast over 20 kilometres away and have very different magnetic characteristics. They are much larger in size, ranging from 2.5 to 20 hectares and have both positive and negative signatures. Ground magnetic surveys over the anomalies verified that they are valid targets and that they are probably caused by kimberlite.

Mineralization

Based on a review of public information covering the vicinity of the Horn Plateau in the southern part of the HOAM Project Area, it was noted that no kimberlites had been discovered within the Interior Plains in the southern part of the Northwest Territories but they concluded that kimberlitic indicator minerals within stream sediments of the Plains pointed to the presence of locally emplaced kimberlites. This conclusion was supported by work that was conducted on the Blackwater Project. It is also supported by De Beers, Diamondex and Sanantana Diamonds, companies actively looking for diamonds within the Interior Plains to the north of the HOAM Project Area. In similar geologic settings in northern Alberta and south of Darnley Bay in the northern part of the Northwest Territories, diamondiferous kimberlites are known to occur. Three drill holes completed by Olivut Investments on the Liard mineral concessions in 1998 intersected ultramafic diatremes, which were described by Olivut Investments as ultramafic lamprophyric breccias; a non-genetic classification that was made in the field prior to petrographic examination of the drill core. Studies on the core confirmed that the diatremes are kimberlitic. Although analyses by Lakefield Research of core samples from all three holes returned no diamonds, the presence of kimberlite and the occurrence in stream sediments of indicator minerals with excellent chemistry suggest that there is good potential for diamond deposits in this area of the Interior Plains.

Sampling and Analysis

Kimberlite Indicator Minerals

Prior to field work, the stream sediment sample sites were pre-selected from 1:250,000 and 1:50,000 scale topographic maps with an objective of collecting one sample per ten square kilometres. At many of the sites, dense forest cover precluded access to the selected sites and alternate parts of the streams were sampled. At each location, sediments were collected from heavy mineral traps along active stream channels. Sample material was screened to minus two millimetres. Approximately 20 kilograms of screened material were collected at each locality, placed into woven rice bags and sealed with plastic ties. Till sampling was carried out along some of the old seismic lines within selected parts of the HOAM Project Area. Lines were spaced between five and ten kilometres apart and samples were collected at 500 metre intervals along the lines. Samples were collected from depths varying between 30 and 50 centimetres.

About 20 kilograms of material were taken; cobbles and coarser pebbles were discarded but no other pre-treatment of the samples was done in the field.

Techdel International Inc. of Thunder Bay (“Techdel”) processed the stream sediment and till samples by soaking then in water for 24 hours to soften and saturate any clay particles. The samples were then wet screened to minus 2mm, plus 0.25 mm. The samples were dried and dry screened to produce coarse (-1.0mm, +0.5mm) and fine (-0.5mm, +0.25mm) fractions. The coarse and fine fractions were run through Readings Magnetic Separators to produce magnetic, paramagnetic, and non-magnetic splits. The paramagnetic split underwent heavy liquid separation in methyl iodide solution to produce heavy mineral concentrates for microscopy. This process was set up to recover kimberlitic garnet, ilmenite and chromite, diamonds and most chrome diopside reported to the non-magnetic fraction which was set aside and stored.

Concentrates were sent directly from Techdel to I&M Morrison Geological Services (“I&M”) in Vancouver for microscopy. At I&M, minerals of economic interest were visually identified and catalogued with specific interest placed on kimberlitic pyrope, picroilmenite and chromite. All of the kimberlitic pyropes and the best ilmenites and chromites were sent by I&M to Purdue University in West Lafayette, Indiana for electron microprobe analysis by Dr. Henry O.A. Meyer. Chemical analyses from the microprobe work were sent by facsimile and mail to Olivut Investments’ office in Alberta.

Drill Core

Core from the three drill holes on the Liard property and the two holes at Last Stop was placed in core boxes by the drill crews. A preliminary log of the core was done at the drill site. Core from Last Stop was left in the core boxes and stored at the drill sites. Core from the Liard holes was sealed in the boxes and removed from the field by helicopter to a secure warehouse at the helicopter base. Core samples from the Liard River drill holes were sent to Lakefield Research Limited in Lakefield, Ontario (“Lakefield”) for microdiamond analyses. Samples were weighed then were divided into equally sized charges less than 8 kg in size. Each sample was digested in molten caustic soda (NaOH) and then poured onto a large diameter 100 mesh screen. The +100 mesh residue was liberated from the NaOH by washing in a series of water and acid leaching (HCl) baths over a 100 mesh screen. Once all the NaOH was dissolved and removed, the concentrates were dried and then screened on a 6 mesh to remove the undigested material which was examined microscopically by a mineralogist. If the undigested fraction was considered significant and a potential source of diamonds, it was redigested by caustic dissolution. The minus 6 mesh residue was processed using a two stage magnetic separation utilizing a permanent magnet and a Frantz Barrier Magnetic Separator. The magnetically characterized residue was submitted to microscopic examination and diamond extraction (in addition to diamonds, the residue could contain colorless to opaque spinel, garnet, ilmenite, graphite, moissanite, zircon, kyanite, corundum, rutile, sulphides and gold). Each of the magnetic fractions was examined at a magnification of 400 times using a binocular stereoscope. Questionable grains were examined in a scanning electron microscope equipped with an energy dispersive spectral analyzer (SEM-EDS). Although each magnetically characterized fraction was examined, particular emphasis was given to the diamagnetic fraction. Lakefield reported that the caustic dissolution residues from the three samples contained rock fragments, paramagnetic to nonmagnetic oxides and various silicates but no diamonds.

Security of Samples

Kimberlite Indicator Minerals

All samples were moved from the field sites by helicopter and stored at a secure warehouse at the helicopter base. Upon completion of the field work they were placed on pallets, shrink wrapped and transported by truck to Thunder Bay for processing by Techdel. Concentrates were sent directly from Techdel to I&M for microscopy. Finally, all of the kimberlitic pyropes and the best ilmenites and chromites were sent by I&M to Purdue University for electron microprobe analysis. Mr. Pitman is unaware of any particular security provisions that may have been in effect at the Techdel, I&M and the Purdue University facilities. However, the writer is of the opinion that the sampling, sample preparation, security and analytical procedures were conducted under industry standards prevalent at the time and there is no reason to doubt the validity of the results.

Drill Core

Core from the Liard holes was sealed in core boxes and removed from the field by helicopter to a secure warehouse at the helicopter base. Upon completion of the program, the core was shipped by truck to a secure warehouse near Olivut Investments' corporate office at Hinton, Alberta where a detailed examination was made. Kimberlite-rich parts of the core (excluding areas with abundant country rock fragments) were placed in plastic pails, labelled, sealed and shipped by truck to Lakefield for microdiamond analyses. Mr. Pitman is unaware of any particular security provisions that may have been in effect at the Lakefield facility during processing of the drill core.

Data Verification

The author of the HOAM Report did not verify the field data but has reviewed maps of the airborne magnetic data and compilation maps of the stream sediment and till sample results. No independent sampling of stream sediments or tills was carried out; however, several of the sample sites were visited in the field and it was confirmed that good and sufficient sampling material is present. Mr. Pitman believes that all sampling procedures were carried out using standard techniques for diamond exploration prevalent at the time. Samples of drill core that were submitted by Olivut Investments to Lakefield returned negative results for diamonds and there is no reason to doubt the validity of the results. None of the remaining core was sampled by the writer. All of the core was laid out on the floor of the storage facility and was examined by Mr. Paul Pitman, who is of the opinion that the work was carried out under industry standards prevalent at the time.

Exploration and Development

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No diamonds were found in small samples of core and indicator minerals recovered from the core suggested that the kimberlites have low diamond potential. However, the program was successful in confirming that kimberlites are present within this part of the Interior Platform. It also suggests that other geophysical targets with similar magnetic signatures will probably be kimberlite.

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Subsequent Events since the date of the HOAM Report

Description and Location of Permits and Claims

Olivut holds 100% of 66 prospecting permits and 38 claims within the Project area. The total area covered by the property is 2,663,442.15 acres (1,077,895.03 hectares). The Corporation conducted regional airborne magnetic surveys, detailed helimag surveys and drilling over parts of these permits and claims during the 2007 field season.

The Birch Lake ground is centered approximately at 122° West and 64°30' North. It consists of 46 prospecting permits in two non-contiguous groups and 13 individual claims. Lac Grandin consists of 3 separate claims, a group of 17 contiguous prospecting permits and 1 isolated prospecting permit, centered approximately at 120° 15' West; 63° 45' North. Last Stop lies in the eastern part of the HOAM Project Area at 118° West and 62° 25' North. It consists of a block of 4 claims. The Liard River ground lies within the southern part of the HOAM Project Area and consists of a contiguous block of 2 prospecting permits and 6 claims, a second contiguous block of 3 claims, and 9 isolated claims. It is centered approximately at 61° 40' North; 121° 30' West.

Expenditure requirements on mineral claims in the Northwest Territories are \$4.00 per acre for the first two year period and \$2.00 per acre for each subsequent year. Requirements on

prospecting permits south of 68° North latitude are \$0.10 per acre for the first year, \$0.20 per acre for the second year and \$0.40 per acre for the third year. The permits can be held for a maximum of three years after which areas to be retained must be converted to claims before the expiry date. Claims can be held for a maximum of ten years after which they must be converted to leases. All of the Birch Lake and Lac Grandin permits are in their first year work period. The claims expire on March 9, 2009. The Last Stop claims expire January 15, 2009. The Liard permits are in their third year work period. Certain of the Liard claims expire on October 26, 2008 and certain claims expire on November 9, 2009.

2007 Exploration Program Update

Drilling commenced on the HOAM project in June 2007 on anomalies prioritized from regional airborne and helimag surveys conducted in the spring and summer of 2007. The field portion of the 2007 exploration program was completed on November 14, 2007. Twenty-four holes tested 18 targets and bedrock was intersected in fourteen holes. Seven new discoveries were made of kimberlitic material in seven separate bodies. Material from only the one drill hole in each of these seven kimberlitic targets was sent for analysis.

To date, caustic fusion results have been received for two of the seven holes. Approximately 210 kg of material from 75 metres of core from one hole in a pipe-like body, as well as a 24 kg sample of material from another target, were analyzed by Saskatchewan Research Council ("SRC") for microdiamonds. No microdiamonds were recovered. One of these bodies exceeds 3 ha (>7.4 acres) and further drilling will be conducted to ascertain if more favourable phases may be present in this relatively large body. Additional drilling will also be required to better define and test the second body that lies on a dyke system. Approximately 250 kg of core material from the other five holes which intersected kimberlitic material is being evaluated by SRC for microdiamonds. Results of analyses will be released on a timely basis as they become available.

A 2008 Phase II drill program is being planned to continue this preliminary field investigation of helimag targets established in 2007. Continued evaluation and interpretation of the regional airborne, helimag and drilling results is ongoing to help establish a comprehensive understanding of the region encompassed by this large project area (approximately 200 km x 450 km), for which only limited geological data are available.

The Corporation is anticipating an exciting 2008 exploration year, given the following combination of very encouraging results from 2007:

- the discovery of a new kimberlite province in Canada after its first drill program;
- additional untested drill targets;
- the encouraging indicator mineralogy in the HOAM Project Area; and
- the size of both the tested and untested targets.

Risk Factors

Due to the nature of the Corporation's business and present stage of exploration and development of the HOAM Project, the Corporation may be subject to significant risks. Readers should carefully consider all such risks, including those set out below. The Corporation's actual exploration and operating results may be very different from those expected as at the date of this Annual Information Form.

Mineral Resources

The HOAM Project is in the exploration stage only and is without a known body of commercial ore. Development of the HOAM Project would follow only if favourable exploration results are obtained.

As of the date of this Annual Information Form, no resources have been defined at the HOAM Project. There is no certainty that further exploration and development will result in the definition of indicated, or measured resources, or probable or proven reserves, at the HOAM Project.

Exploration Risks

The Corporation's exploration projects are subject to conditions beyond its control that can affect the carrying costs and development costs for varying lengths of time. Such conditions include environmental hazards, unusual or unexpected geological formations or pressures and periodic interruptions due to inclement or hazardous weather conditions, geopolitical, economic, regulatory conditions as well as dependence on key employees. Such risks could result in damage to, or destruction of, mineral properties or facilities, personal injury, environmental damage, delays in exploration programs, monetary losses and possible legal liability. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. Success in establishing marketable mineral reserves is a result of a number of factors, including the quality of management, the Corporation's level of geological and technical expertise, the quality of land holdings, the availability of suitable employees, contractors, consultants and equipment and other factors.

If mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling, to determine the optimal recovery process to extract the minerals from the ore and to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment of resources or reserves.

Whether a resource deposit will ultimately be commercially viable depends on a number of factors, including the particular attributes of the deposit such as the deposit's size, financing costs and the prevailing prices for the applicable resource. Also of key importance are government regulations, including those relating to prices, taxes, royalties, land tenure, land use, land treaties and environmental protection.

The recoverability of the carrying value of exploration properties and the Corporation's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations and the ability of the Corporation to raise alternative financing, if necessary, or alternatively upon the Corporation's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Corporation has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Corporation's title. Property title may be subject to unregistered prior agreements, native land claims and non-compliance with regulatory requirements.

Commodity Price Risk

The ability of the Corporation to develop its properties and the future profitability of the Corporation is directly related to the market price of certain minerals.

Financing Activities and Future Capital Requirements

In the absence of cash flow from operations the Corporation must rely on its shareholders or capital markets to fund operations. Failure to obtain such additional financing could result in delay or the indefinite postponement of further exploration and the development of the Corporation's properties, as well as the loss of prospecting permits and mineral claims.

The Corporation will require additional financing in order to grow and expand its operations. It is possible that required future financing will not be available or, if available, will not be available on favourable terms. If the Corporation issues treasury shares to finance its operations or expansion plans, control of the Corporation may change and shareholders may suffer dilution of their investment. If adequate funds are not available, or are not available on acceptable terms, the Corporation may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Licenses and Permits, Laws and Regulations

The Corporation's exploration activities may require permits from various government authorities, and are subject to extensive federal, provincial and local laws and regulations governing prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Corporation relies on the expertise and commitment of its management team, their advisors, and contractors to ensure compliance with current laws and fosters a climate of open communication and cooperation with regulatory bodies. The Corporation believes that it holds all necessary licenses and permits under applicable laws and regulations and believes it is presently complying in all material respects with the terms of such licenses and permits.

There can be no guarantee that the Corporation will be able to maintain or obtain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. Title to, and the area of, resource claims may be disputed. Although the Corporation believes it has taken reasonable measures to ensure that title to the claims comprising part of the HOAM Project are held as described in this Annual Information Form, there is no guarantee that title to any of those claims will not be challenged or impaired. There may be valid challenges to the title of any of the claims comprising the HOAM Project that, if successful, could impair development or operations or both.

Land Claims

At the present time, none of the properties in which the Corporation has an interest is the subject of an aboriginal land claim. However, no assurance can be provided that such will not be the case in the future.

Environmental and Safety Regulations and Risks

All of the Corporation's operations will be subject to environmental regulations, which can make operations expensive or prohibit them altogether. The Corporation may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development and production. In addition, environmental hazards may exist on a property in which the Corporation directly or indirectly holds an interest which are unknown to the Corporation at present which have been caused by previous or existing owners or operators of the property.

Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. To the extent the Corporation is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Corporation. If the Corporation is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Corporation. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations.

The Corporation attempts to minimize potential risks and liabilities associated with pollution of the environment and the disposal of waste products by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to international environmental standards. There is also a risk that the environmental laws and regulations may become more onerous, making the Corporation's operations more expensive.

Future Profits/Losses and Production Revenues/Expenses

There can be no assurance that significant losses will not occur in the near future or that the Corporation will be profitable in the future. The Corporation's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and, if warranted, commercial production of the HOAM Project and any other properties the Corporation may acquire are added as needed. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, and the Corporation's acquisition of additional properties amid other factors, many of which are beyond the Corporation's control. The Corporation does not expect to receive revenues from operations in the foreseeable future, if at all. The Corporation expects to incur losses unless and until such time as the HOAM Project and any other properties the Corporation may acquire enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the HOAM Project and any other properties the Corporation may acquire will require the commitment of substantial resources to conduct the time-consuming exploration and development of the properties. There can be no assurance that the Corporation will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Key Employees

The Corporation depends on a number of key employees, the loss of any one of whom could have an adverse effect on the Corporation.

Dependence on Management and Employees

Holders of the Corporation's shares must rely upon the experience and expertise of the management and employees of the Corporation. The Corporation's success is dependent upon its ability to attract and retain experienced management and employees.

Competition

The international mining industry is highly competitive and the Corporation competes with other mining companies, many of which have greater resources and experience. Competition in the diamond mining industry is primarily for: mineral rich properties which can be developed and can produce economically; the technical expertise to find, develop and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine diamonds, but also conduct production and marketing operations on a world-wide basis. Such competition may result in the Corporation being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. The Corporation's inability to compete with other mining companies for these resources would have a material adverse effect on the Corporation's results of operation and business.

Conflicts of Interest

The Corporation's directors and officers may serve as directors or officers of other natural resource companies or companies providing services to the Corporation or they may have significant shareholdings in other resource companies. Situations may arise where the directors and/or officers of the Corporation may be in competition with the Corporation. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of anyone program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with applicable laws, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

Limited Operating History

There is no assurance that the Corporation will earn profits in the future, or that profitability, if achieved, will be sustained. If the Corporation does not have sufficient capital to fund its operations, it may be required to forego certain business opportunities, or be subject to having its interest diluted or lost in existing properties.

Management of Growth

Any expansion of the Corporation's business may place a significant strain on its financial, operational and managerial resources. There can be no assurance that the Corporation will be able to implement and subsequently improve its operations and financial systems successfully and in a timely manner in order to manage any growth it experiences. There can be no assurance that the Corporation will be able to manage growth successfully. Any inability of the Corporation to manage growth successfully could have a material adverse effect on the Corporation's business, financial condition and results of operations.

The Corporation may expand its operations through the acquisition of additional businesses, products or technologies that it believes will complement its current or future business. There can be no assurance that the Corporation will be able to identify, acquire or profitably manage additional businesses or successfully integrate any acquired businesses, products or technologies into the Corporation without substantial expenses, delays or other operational or financial problems. Furthermore, acquisitions involve a number of special risks, including diversion of management's attention, failure to retain key acquired personnel, unanticipated events or circumstances, and legal liabilities, some or all of which could have a material adverse effect on the Corporation's business, results of operations and financial condition. In addition, there can be no assurance that the Corporation can complete any

acquisition it pursues on favourable terms, that any acquired businesses, products or technologies will achieve anticipated revenues and income, or that any acquisitions completed will ultimately benefit the Corporation's business. An acquisition could also result in a potentially dilutive issuance of equity securities. If a strategy of growth through acquisition is pursued, the failure of the Corporation to manage this strategy successfully could have a material adverse effect on the Corporation's business, results of operations and financial condition.

Government Regulations

The Corporation may be subject to various laws, regulations, regulatory actions and court decisions that may have negative effects on the Corporation. Changes in the regulatory environment imposed upon the Corporation could adversely affect the ability of the Corporation to attain its corporate objectives.

Mineral Price Volatility

If the Corporation is successful in developing a commercial precious or base mineral deposit, its future revenues, if any, will be dependent on the market price of those precious or base minerals. Precious and base mineral prices are dynamic and influenced by a range of factors. Volatile foreign currency rates, stock market performance, expansion or decline of the world's economies and even the success of advertising programs can all have a direct impact on prices for commodities. As well, changes in overall market direction related to supply and demand have very significant implications for commodity price levels and volatility. All of these factors, which are outside the control of the Corporation and the effect of which cannot be predicted, will influence the operating results and potential profitability of the Corporation in the event it is successful in developing a commercial precious or base mineral deposit.

Share Price Volatility

The market price of the Corporation's shares is likely to be highly volatile and may be significantly affected by factors such as actual or anticipated fluctuations in the Corporation's operating results, announcements of technological innovations, changes in estimates or analyses by securities analysts, new exploration projects by the Corporation or its competitor

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Corporation may decide not to take out insurance against such risks as a result of high premiums or other reasons.

DIVIDENDS

There are no restrictions in the Corporation's articles or elsewhere which prevent the Corporation from paying dividends, however, it is not contemplated that any dividends will be

paid on the Corporation's shares in the immediate future, as it is anticipated that all available funds will be invested to finance the growth of the Corporation's business. The directors of the Corporation will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Corporation's financial position at the relevant time. All of the Corporation's shareholders are entitled to an equal share in any dividends declared and paid.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Corporation consists of an unlimited number of common shares ("Olivut Shares"). Each Olivut Share entitles the holder thereof to dividends as and when declared by the directors. As of March 15, 2008, there were 31,588,317 Olivut Shares issued and outstanding. Olivut Shares entitle holders thereof to receive notice of and attend all shareholder meetings and to one vote in respect of each Olivut Share held at such meetings. In the event of the liquidation, dissolution or winding-up of the Corporation, the shareholders are entitled to share rateably the remaining assets of the Corporation. There are no conversion or exchange rights attaching to the Olivut Shares, nor are there any sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or any other material restrictions, nor are there any provisions requiring a shareholder to contribute additional capital.

MARKET FOR SECURITIES

Trading Price and Volume

The Olivut Shares are listed on the TSXV under the symbol "OLV.V". The following table indicates the high and low price and the volume of the Olivut Shares traded on the TSXV for the period from the close of the Business Combination to March 14, 2008:

<u>Month</u>	<u>High Price (C\$)</u>	<u>Low Price (C\$)</u>	<u>Volume</u>
January 8 to January 31, 2007	0.95	0.48	751,854
February, 2007	0.90	0.67	1,053,700
March, 2007	0.82	0.70	1,352,580
April, 2007	2.70	0.69	11,445,060
May, 2007	2.40	1.82	3,363,703
June, 2007	2.01	1.46	1,829,392
July, 2007	1.98	1.25	5,197,157
August, 2007	2.00	1.10	494,369
September, 2007	1.35	0.98	1,423,142
October, 2007	1.30	0.82	3,664,223
November, 2007	1.16	0.90	1,222,500
December, 2007	1.00	0.90	1,470,400
January, 2008	1.00	0.70	1,232,416
February, 2008	0.82	0.49	1,660,527

<u>Month</u>	<u>High Price (C\$)</u>	<u>Low Price (C\$)</u>	<u>Volume</u>
March 1 to March 14, 2008	0.74	0.58	104,990

ESCROWED SECURITIES

The Olivut Shares held beneficially by Shannon Ross, Paul Storey, Sargent Berner, Mary Davies and Bernhard Zinkhofer (the “CPC Insiders”) were placed in escrow pursuant to an escrow agreement dated February 10, 2003 among the Corporation, Pacific Corporate Trust Company (the “Escrow Agent”) and the CPC Insiders (the “CPC Escrow Agreement”). Additionally, as a result of the Business Combination, the Olivut Shares of Leni Keough, 835040 Alberta Ltd., Craig Reith, Sharon Dowdall and Stephen Barley (the “Olivut Insiders”) were placed in escrow pursuant to a value share escrow agreement dated January 8, 2007 among the Corporation, the Escrow Agent and the Olivut Insiders (the “Value Share Escrow Agreement”). The following table sets out, as of the date of this Annual Information Form, information concerning the beneficial owners of the Olivut Shares that are placed in escrow:

<u>Name and Municipality of Residence of Securityholder</u>	<u>Designation of Class</u>	<u>Number of Shares to be held in Escrow⁽¹⁾</u>	<u>Percentage of Class⁽⁴⁾</u>
Leni Keough Jasper East, AB	Olivut Shares	1,050,024 ⁽²⁾	3.32% 0.15%
Sharon Dowdall Toronto, ON	Olivut Shares	30,000	0.09%
Craig Reith Toronto, ON	Olivut Shares	30,000	0.09%
Stephen Barley West Vancouver, BC	Olivut Shares	668,383 ⁽³⁾	2.12%

- (1) These Olivut Shares are subject to a staged release from escrow over a 36 month period from the closing of the Business Combination, with 10% released on the closing of the Business Combination, and with an additional 15% to be released on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the closing of the Business Combination.
- (2) Of these 1,050,024 Olivut Shares, 1,020,024 are held by 835040 Alberta Ltd., the sole shareholder of which is Ms. Keough, and a further 30,000 are directly held by Ms. Keough.
- (3) Stephen Barley acquired the equivalent of 233,700 Olivut Shares in the June 2006 private placement conducted by the Corporation. By virtue of his position at that time as a director of the Corporation, these Olivut Shares are subject to escrow under TSXV Policies 2.4 and 5.4 as principal securities. Mr. Barley acquired a further 880,270 Olivut Shares from Shannon Ross, Paul Storey, Sargent Berner, Mary Davies and Bernhard Zinkhofer. A total of 445,587 of these shares have been released from escrow to date.
- (4) The denominator in the calculation of the percentages is 31,588,317, which is the issued and outstanding number of Olivut Shares as of March 15, 2008.

DIRECTORS AND OFFICERS

Name, Address, Occupation and Security Holding

To the knowledge of the Corporation, as of March 15, 2008 the directors and executive officers of the Corporation collectively beneficially own, directly or indirectly, or exercise

control or direction over 2,043,755 Olivut Shares which represent approximately 6.5% of the issued and outstanding Olivut Shares as at March 15, 2008.

In addition, Mary Davies, who served as a director of the Corporation until January 8, 2007, exercised options to purchase 62,320 Olivut Shares on February 23, 2007, representing 0.2% of the Olivut Shares outstanding as at March 15, 2008. Shannon Ross and Paul Storey exercised a total of 124,640 options to purchase on June 11, 2007, representing 0.4% of the Olivut Shares outstanding as at March 15, 2008.

As at the date of this Annual Information Form, the name, municipality of residence, positions with the Corporation and principal occupation of each director and executive officer of the Corporation are set out below. Each term as director ends at the annual general meeting of the shareholders of the Corporation following the appointment of such director or until his or her successor is appointed.

<u>Name and Municipality of Residence</u>	<u>Present Office</u>	<u>Principal Occupation if Different from Office Held</u>
SARGENT H. BERNER ⁽¹⁾ Vancouver, BC	Director	President, Kent Avenue Consulting Ltd.; public company director; corporate and securities lawyer until 2006; Partner, DuMoulin Black, LLP until 2004
DR. LEON DANIELS Maldonado, Uruguay	Director	Managing Director, Pangolin Gold (Pty) Limited; Director, Kimberlamp Exploration Zambia Limited; and President of Precambrico SA.
SHARON DOWDALL ⁽¹⁾⁽²⁾ Toronto, Ontario	Chairman and Director	Chief Legal Counsel, Franco-Nevada Corporation.
LENI KEOUGH Jasper East, Alberta	Director, President and Chief Executive Officer	
CRAIG REITH ⁽¹⁾⁽²⁾ Toronto, Ontario	Director	Vice President Finance and Treasurer, Four Seasons Hotels until January 2008.
IAN A. SHAW Toronto, Ontario	Chief Financial Officer and Secretary	Managing Director, Shaw & Associates, 1993 to present

(1) Current Member of the Audit Committee.

(2) Current Member of the Compensation Committee.

Sargent H. Berner, BA, LLB, LLM - Director: Mr. Berner, age [67], is currently a director of the Corporation. Mr. Berner is also the President of Kent Avenue Consulting Ltd. and serves as a director and advisor of a number of other public companies. He was formerly a senior partner of DuMoulin Black LLP, a Vancouver law firm, where he practiced in the areas of corporate, securities and natural resources law. Mr. Berner holds a B.A. and LLB from the University of British Columbia and a LLM from the London School of Economics.

Leon R.M. Daniels, BSc, BSc (Hons), PhD - Director. Dr. Daniels, age 51, is currently a director of the Corporation. Dr. Daniels is also the Managing Director of Pangolin Gold (Pty) Limited, a Director of Kimberlamp Exploration Zambia Limited and President of Precambrico SA. Dr. Daniels obtained his PhD from the University of Cape Town in 1991. He has authored and co-authored numerous research papers relating to diamonds and associated minerals and the

exploration and development of kimberlites in various areas. Dr. Daniels also holds a BSc and BSc (Honours Geology) from the University of Cape Town.

Sharon Dowdall, BA, LLB - Director: Ms. Dowdall, age 55 is a graduate of the University of Calgary (B.A. (Honours Economics), 1974) and Osgoode Hall, York University (LLB, 1977). She is the Chief Legal Officer and Corporate Secretary for Franco-Nevada Corporation. She was Vice President and Secretary of Newmont Mining Corporation of Canada Limited (“NMC”) and Newmont Capital Limited, each subsidiaries of Newmont Mining Corporation of which Ms. Dowdall was Group Legal Executive – Canada. Prior to joining the predecessor of NMC, in 1999, Ms. Dowdall was a partner at Smith Lyons LLP practicing in the areas of securities, mergers and acquisitions and natural resources.

Leni Keough, BSc. (Geol.) - President, Chief Executive Officer and Director: Ms. Keough, age 46, is a graduate of the University of Western Ontario, London (BSc. Honours Geology, 1986). Initially she worked with Lacana Mining Corp. and subsequently Royex Corporation and Corona Corporation. She was involved in the early stages of the diamond exploration boom in Canada and was responsible for the planning and implementation of a number of successful diamond programs undertaken throughout Canada. As a founding principal of the company, she has been President of Olivut since its inception in 1993 and has been responsible for the exploration programs undertaken by Olivut. Ms. Keough is also a director of the Prospectors and Developers Association of Canada.

Craig Reith, HBA, CA - Director: Mr. Reith, age 52, is a graduate of the Ivey Business School, University of Western Ontario, London (HBA, 1978). Following graduation he obtained his Chartered Accountant designation (1981) while working with KPMG for three years. Most recently, over the course of more than 22 years, spanning 1985-2008, Mr. Reith worked with Four Seasons Hotels Inc. in its corporate finance department at its head office in Toronto. He was closely involved with the company's initial public offerings on the Toronto Stock Exchange and the New York Stock Exchange, as well as the company's debt and equity financings over the years. He had a broad range of responsibilities which included tax, treasury, financial reporting and forecasting. Mr. Reith held numerous senior positions in the company's finance department and most recently held the title of Vice President Finance and Treasurer of the Corporation. During his extensive career with Four Seasons, Mr. Reith was party to the company going full circle from a privately run corporation, to a public entity for over two decades and back to a private corporation.

Ian A. Shaw, BCom, CA - Chief Financial Officer and Secretary: Mr. Shaw, age 68, is a graduate of Trinity College, University of Toronto (BCom, 1964) and he obtained his Chartered Accountant designation in 1969 with Deloitte, Plender Haskins & Sells, Toronto. From 1993 to present, he has been the Managing Director of Shaw & Associates, a corporate services consulting firm specializing in corporate finance, regulatory reporting and compliance with clients that are typically public companies in the resource industry. As part of those activities, from 2000 - 2003, he served as Vice-President Finance and Chief Financial Officer for Geomaque Explorations Inc./Defiance Mining Corporation and Vice-President Finance and Chief Financial Officer, Blackhawk Mining Inc. Prior to 1993, his experience with resource based companies included serving as Vice-President, Controller and Treasurer, Curragh Inc. and Controller and Treasurer, Sherritt Gordon Mines Inc. He continues to serve as a director or officer for a number of public companies.

Pursuant to the January 8, 2007 Business Combination, Mary Davies, Shannon Ross and Paul Storey resigned as directors of the Corporation. On January 18, 2008 Stephen Barley also resigned as a director of the Corporation.

Audit Committee

The Audit Committee was created by the board of directors and reports directly to it. All committee members are appointed by the board of directors. The Audit Committee has the general mandate to (i) ensure the Corporation effectively maintains the necessary management systems and controls to allow for timely and accurate reporting for the purpose of safeguarding shareholder value and to meet all relevant regulatory requirements and (ii) to provide recommendations to the board of directors in the area of management systems and controls. The Audit Committee reviews the general policies submitted by the Corporation's management in connection with financial reporting and internal controls; it deals with all matters relating thereto, including, without limitation, reviewing and evaluating periodically public financial reports, the work of outside auditors, the structure of the accounting and internal control department and the efficiency of the records and systems used. The committee makes the relevant recommendations to the board of directors, which then exercises its decision-making authority.

A copy of the audit committee's charter is appended to this Annual Information Form as Appendix "B".

The Audit Committee consists of three members who are currently Craig Reith (acting as Chair), Sharon Dowdall and Sarge Berner, all of whom are independent of the Corporation and financially literate within the meaning of applicable Canadian securities laws. Mr. Reith, particularly, has education and experience that is relevant to the performance of his duties as Chair of the Audit Committee, including his Chartered Accountant designation and his vast experience obtained over 22 years in various senior financial positions held in the Corporate Finance department at Four Seasons Hotels Inc.

The Corporation has not relied on any exemptions under Multilateral Instrument 52-110 - *Audit Committees*.

The following are audit fees, audit related fees, tax fees and all other fees billed by the Corporation's external auditors in each of the last two fiscal years. There were no fees paid for non-audit services in the last two fiscal years.

<u>Fiscal Year</u>	<u>Audit Fees (C\$)⁽¹⁾</u>	<u>Audit-Related Fees (C\$)⁽²⁾</u>
2007	\$24,300	\$29,400
2006	\$4,500	\$2,700

(1) "Audit Fees" refer to fees billed for audit services.

(2) "Audit-Related Fees" refer to aggregate fees billed for assurance and related services that reasonably relate to the performance of the audit or review of financial statements and are not reported under 'Audit Fees'.

Compensation and Governance Committee

The Compensation and Governance Committee has the general mandate to oversee and safeguard the human capital of the Corporation and to provide recommendations to the board of directors. Among other things, it is responsible to review the annual performance and compensation of the Chief Executive Officer of the Corporation and other senior executive officers and to make recommendations to the board of directors in respect of compensation for directors. It is also responsible for, among other things, assessing the Corporation's governance and the performance of the board of directors.

The Compensation and Governance Committee consists of three members who are currently Sharon Dowdall (acting as Chair), Sarge Berner and Craig Reith.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the current directors, officers or other members of the management of the Corporation is, or within the ten years prior to the date hereof has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer, was the subject of a cease trade order or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Stephen Barley, a director of the Corporation until January 18, 2008, was formerly a director of Cervus Financial Group Inc. ("Cervus") which filed an initial order for a Proposed Plan of Compromise or Arrangement with the Ontario Superior Court of Justice under the Companies' Creditors Arrangement Act approximately 3 months after he resigned as a director on March 1, 2006. Cervus was subsequently sold to a wholly-owned subsidiary of Macquarie Bank Limited following the disposition of certain of its assets to Cervus Financial Corp. Further information is available under Cervus' public documents on SEDAR, which can be accessed at www.sedar.com.

Conflicts of Interest

Certain officers and directors of the Corporation are officers and directors of, or are associated with, other similar exploration and mining companies. Such associations may give rise to conflicts of interest from time to time. The directors are required by law, however, to act honestly and in good faith with a view to the best interest of the Corporation and its shareholders and to disclose any personal interest which they may have in any material transactions which is proposed be entered into with the Corporation and to abstain from voting as a director for the approval of any such transaction.

PROMOTERS

Leni Keough, who is the President, Chief Executive Officer and a director of the Corporation, may be considered to be the Promoter of the Corporation, as she was involved

with substantially coordinating the Business Combination. Ms. Keough owns beneficially an aggregate of 1,833,755 (5.8%) Olivut Shares (including 25,000 flow-through common shares) and options to purchase an additional 1,125,000 Olivut Shares.

Ms. Keough, among others is a party to the Royalty Agreement. The 1.5% royalty can be repurchased by the Corporation, at the Corporation's option, for \$10 million for a period of two years until January, 2009. If the option is not exercised and if certain of the property in the HOAM Project Area (as specified in the Royalty Agreement) is put into commercial production, the Corporation shall pay Ms. Keough a royalty equal to 0.75% of the net smelter returns.

LEGAL PROCEEDINGS

Legal Proceedings

The Corporation and its subsidiary are not a party to any material legal proceedings. However, from time to time, the Corporation and/or its subsidiaries may become parties to disputes arising in the ordinary course of business.

Regulatory Actions

The Corporation and its subsidiary are not a party to any regulatory actions.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than the interests of certain directors, officers and shareholders of the Corporation as described elsewhere in this Annual Information Form, none of the directors or officers of the Corporation, nor any associate or affiliate thereof, has had a direct or indirect material interest in any transaction within the three years prior to the date hereof or proposed transaction which has materially affected or will materially affect the Corporation.

TRANSFER AGENTS AND REGISTRARS

The Corporation has retained Pacific Corporate Trust Company, located at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3P9, as its transfer agent and registrar.

AUDITOR

The Auditors of the Corporation are McGovern, Hurley, Cunningham, LLP, Chartered Accountants, located at 2005 Sheppard Avenue East, Suite 300, Toronto, Ontario, M2J 5B4.

MATERIAL CONTRACTS

Except for contracts entered into by the Corporation in the ordinary course of business, the only material contracts entered into by the Corporation and that remain in effect as of the date of this Annual Information Form are as follows:

- a) the Letter of Intent (refer to "*General Development of the Business – Three Year History*");
- b) the Business Combination Agreement (refer to "*General Development of the Business – Three Year History*");

- c) the Amalgamation Agreement (refer to “*General Development of the Business – Three Year History*”);
- d) the Royalty Agreement (refer to “*Description of the Business – General – Royalty Agreement*”);
- e) the CPC Escrow Agreement (refer to “*Escrowed Securities*”); and
- f) the Value Share Escrow Agreement (refer to “*Escrowed Securities*”).

INTERESTS OF EXPERTS

Names of Experts

Paul Pitman, B.Sc., P. Geo., prepared the HOAM Report. Mr. Pitman does not have any direct or indirect interest in the property of the Corporation and does not hold any equity interest in the Corporation.

Interests of Experts

Stikeman Elliott LLP, Barristers & Solicitors, have prepared this Annual Information Form and certain of the designated professionals of Stikeman Elliott LLP beneficially own, directly or indirectly, in the aggregate, less than 1% of the issued and outstanding Olivut Shares.

No other “professional person” as defined in the policies of the TSXV named in this Annual Information Form as having prepared or certified any part or all of it holds any beneficial interest, direct or indirect, in any securities or property of the Corporation or of an associate or affiliate of the Corporation, no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation, or of an associate or affiliate of the Corporation and no such person is a promoter of the Corporation.

ADDITIONAL INFORMATION

Additional information is provided in the Corporation’s Annual Report for the financial year ended October 31, 2007 and the Corporation’s Management Information Circular distributed in connection with the Corporation’s Annual General Meeting that occurred on January 18, 2008. Such additional information may be found at www.sedar.com, as is further information regarding the Corporation generally.

APPENDIX "A"

GLOSSARY OF MINING & TECHNICAL TERMS

aeolian	unconsolidated sand and silt deposits arranged by wind.
Archean	geologic time period; the term means ancient; the older of the two Precambrian periods; before 2,500 Ma.
cpht	carats per one hundred tonnes.
Cretaceous	geologic time period, the third and latest period included in the Mesozoic era, 63 to 138 million years before present time.
Devonian	geologic time period, middle period of the Paleozoic era, 360 to 410 million years before present time.
diatreme	a volcanic vent or pipe drilled through enclosing rocks by the explosive energy of gas charged magma.
drumlin	an elongate, streamlined hill or ridge of glacial drift with long axis paralleling the direction of flow of the glacier.
fluting	area of extensive, highly elongate drumlin ridges.
glaciofluvial	glaciofluvial pertaining to streams flowing from, on or within glaciers and deposits made by such streams.
G10	subcalcic pyrope garnet that forms within the mantle at moderate temperature and high pressure, equivalent to the diamond stability field; a relatively common garnet within diamond-bearing kimberlites.
IOCG	iron oxide copper gold.
kelyphite	the complex intergrowth of fine grained minerals occurring as coronas upon garnets; formed as a breakdown and reaction of garnet with kimberlite melts. Kelyphite coronas are soft; in surficial environments they are easily removed by transport in water or ice.
kimberlite	a complex, mantle-derived, volatile-rich (dominantly CO ₂), potassic, ultrabasic rock that exhibits a distinctive inequigranular texture resulting from the presence of macrocrysts and phenocrysts in a fine grained matrix. Constituent minerals are olivine, phlogopite, spinel, perovskite, calcite, serpentine and possibly monticellite. Pyrope garnet, magnesian ilmenite and chromite are common, and diamond can be a component.
KIMs	kimberlite indicator minerals.
Lacustrine	produced by or belonging to lakes, sediments deposited within lakes.
lamproite	complex, ultrapotassic, magnesian, igneous rock that in a gross sense resembles kimberlite, but chemically and texturally is distinct. Lamproites contain as primary phenocrystal and/or groundmass constituents, variable amounts of leucite and /or glass, phlogopite, clinopyroxene, amphibole, olivine and sanidine. Diamonds are present in some lamproites.

magmatic	pertaining to or derived from magma, a partly liquid (molten), mobile rock material, generated within the earth and capable of intrusion and extrusion, from which igneous rocks form.
mantle	layer of the earth between the crust and the core. The layer begins at a depth of about 10 kilometres below the oceans and 35 kilometres below the continents and extends to about 2900 kilometres.
microprobe	the electron microprobe is an apparatus utilized for chemical analysis of small mineral grains.
moraine	unconsolidated deposits of till formed by the direct action of glacial ice.
orogeny	the process of forming mountains, principally by folding and thrusting.
Paleozoic	a geologic time unit, the era between the Precambrian and the Mesozoic, beginning of the Paleozoic was once thought to mark the start of life on earth; 240 to 570 million years before present time.
Phanerozoic	a geologic time unit; comprises the Paleozoic, Mesozoic and Cenozoic; it is the eon of evident life on earth; 570 million years ago to present time.
piroilmenite	common mineral in kimberlite; it is magnesium-rich ilmenite (MgFeTiO ₃).
Precambrian	a geologic time unit, all rocks formed before the Cambrian time period prior to 570 million years before present; divided into Proterozoic and Archean eras.
Proterozoic	a geologic time unit; younger of the two Precambrian eras; 570 to 2,500 million years before present time.
SID	Spatial Information for DIAND (the Department of Indian and Northern Affairs Canada).
subcalcic	refers to calcium content of a mineral when it is lower than the norm.
surficial	refers to unconsolidated deposits lying on the ground surface and covering bedrock; can include till, sand, gravel, peat, muskeg.
terrane	the area over which a particular rock or group of rocks is prevalent.
up-ice	a reference to the flow direction of glaciers, up-ice is opposite to the direction the glacier is flowing, or has flowed, and is towards the source area of the glacier.

APPENDIX "B"

OLIVUT RESOURCES LTD. AUDIT COMMITTEE CHARTER

SECTION 1 PURPOSE

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of Olivut Resources Ltd. (the "**Company**"). The primary function of the Committee is to assist the Board in fulfilling their applicable roles by:

- (1) recommending to the Board the appointment of the Chief Financial Officer or the Vice President Finance (if any) and the Controller (if any) of the Company;
- (2) recommending to the Board the appointment and compensation of the external auditor;
- (3) overseeing the work of the external auditor, including the resolution of disagreements between the external auditor and management;
- (4) pre-approving all non-audit services (or delegating such pre-approval, if and to the extent permitted by law) to be provided to the Company or its subsidiary entities ("**subsidiaries**") by the external auditor;
- (5) reviewing and approving the proposed hiring of any current or former partner or employee of the current and former external auditor of the Company or its subsidiaries;
- (6) establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters, and for the confidential, anonymous submission by employees of the Company or its subsidiaries of concerns regarding questionable accounting or auditing matters;
- (7) reviewing and recommending to the Board the approval of the annual and interim financial statements, the related Management Discussion and Analysis ("**MD&A**"), and other financial information provided by the Company to any governmental body or the public; and
- (8) satisfying themselves that adequate procedures are in place for the review of the Company's public disclosure of financial information, other than as described in (7) above, extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures.

The Committee should primarily fulfill these roles by carrying out the activities enumerated in this Charter.

SECTION 2 COMPOSITION AND MEETINGS

- (1) The Committee should be comprised of a minimum of three directors, as appointed by the Board, each of whom shall be independent within the meaning of Multilateral Instrument 52-110 - *Audit Committees* ("MI 52-110") of the Canadian Securities Administrators (or exempt therefrom), and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.
- (2) A majority of members must be resident Canadians.
- (3) All members of the Committee should have (or must gain within a reasonable period of time after appointment) a working familiarity with basic finance and accounting practices. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.
- (4) The members of the Committee and its Chair shall be elected by the Board on an annual basis, or until they are removed or their successors are duly appointed. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.
- (5) The members of the Committee may be removed or replaced by the Board at any time. The Chair may be removed by the Board or the Committee, in consultation with the Board, at any time. Any member shall automatically cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all of the powers of the Committee, so long as a quorum remains.
- (6) The Committee should meet at least four times annually, or more frequently as circumstances require. The Committee should meet within sixty (60) days following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related MD&A, and should meet within 90 days following the end of the fiscal year end to review and discuss the audited financial results for the preceding quarter and year and the related MD&A.
- (7) The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and the external auditor, and others as they consider appropriate. For greater certainty, corporate information includes information relating to the Company's affiliates, subsidiaries and their respective operations.
- (8) In order to foster open communication, the Committee or its Chair should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Committee or each of these groups believes should be discussed

privately. In addition, the Committee or its Chair should meet with management quarterly in connection with the Company's interim financial statements.

- (9) A quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine, provided that a majority thereof are resident Canadians and provided further that the Chair is present.
- (10) Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon 48 hours notice to each of its members. The notice period may be waived by all members of the Committee. Each of the Chairman of the Board, the external auditor, the President and Chief Executive Officer, the Chief Financial Officer or the Vice President Finance or the Secretary shall be entitled to request that any member of the Committee call a meeting.

SECTION 3 ROLE

In addition to the matters described in Section 1, the Committee should:

- (1) Determine any desired agenda items.
- (2) Review and recommend to the Board changes to this Charter, as considered appropriate from time to time.
- (3) Review the public disclosure regarding the Committee required by MI 52-110.
- (4) Summarize in the Company's annual report the Committee's composition and activities, as required.
- (5) Record minutes of its meetings and submit those to the whole Board on a timely basis.

Documents/Reports Review

- (6) Meet with management or external auditor or both to review the Company's annual budgets, and annual and interim financial statements, including any certification, report, opinion or review rendered by the external auditor, and review related MD&A.
- (7) Review other financial information of the Company provided to any governmental body or the public (including analysts and rating agencies), as they see fit.
- (8) Review and approve any financial information of the Company or its subsidiaries contained in any press release of the Company.
- (9) Seek to ensure that adequate procedures are in place for the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures.
- (10) Review with management and the external auditor any correspondence with regulators or government agencies which raise material issues regarding the Company's financial statements or accounting policies.

External Auditor

- (11) Recommend to the Board the selection of the external auditor, considering independence and effectiveness, and review the fees and other compensation to be paid to the external auditor. Instruct the external auditor that its ultimate client is not management.
- (12) Obtain confirmation from the external auditor that it is accountable to, and will report directly to, the Committee and the Board of Directors, and not to management of the Company.
- (13) Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion between management and the external auditor.
- (14) Review and discuss, on an annual basis, with the external auditor all significant relationships they have with the Company, its management or employees to determine their independence.
- (15) Review and pre-approve all audit and non-audit services (including all internal-control-related services and any material management consulting or other engagement) to be performed by the external auditor and be advised of any other material study undertaken by the external auditor at the request of management that is beyond the scope of the audit engagement letter and related fees (subject to any restrictions on such non-audit services imposed by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators).
- (16) At least annually, review the qualifications, performance and independence of the external auditor and any proposed discharge of the external auditor when circumstances warrant.
- (17) Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.
- (18) Communicate directly with the external auditor, and arrange for the external auditor to report directly to the Committee.
- (19) Communicate directly with the external auditor and arrange for the external auditor to be available to the Committee and the full Board as needed.

Financial Reporting Processes

- (20) Review the integrity of the financial reporting processes, both internal and external, in consultation with the external auditor as they see fit.

- (21) Consider the external auditor's judgments about the quality, transparency and appropriateness, not just the acceptability, of the Company's accounting principles, financial disclosure practices and adequacy of internal controls, as applied in its financial reporting, including the degree of aggressiveness or conservatism of its accounting principles and underlying estimates, and whether those principles are common practices or are minority practices.
- (22) Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related party transactions.
- (23) Review all critical accounting policies and practices used, and consider proposed major changes to the Company's accounting principles and practices.
- (24) Review the effect of new regulatory and accounting pronouncements.
- (25) Review the effect of any material off balance sheet structures, arrangements and obligations (contingent or otherwise) on the financial statements.

Reporting Process

- (26) If considered appropriate, establish separate systems of reporting to the Committee by each of management and the external auditor.
- (27) Review the scope and plans of the external auditor's audit and reviews. The Committee may authorize the external auditor to perform supplemental reviews or audits as the Committee may deem desirable.
- (28) Periodically consider the need for an internal audit function, if not present.
- (29) Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.
- (30) Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.
- (31) Where there are significant unsettled issues between management and the external auditors that do not affect the audited financial statements, the Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.
- (32) Review with the external auditor and management significant findings during each quarter and year and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.

- (33) Review the system in place to seek to ensure that the financial statements, related MD&A and other financial information disseminated to governmental organizations and the public satisfy applicable requirements.
- (34) Review any disclosures concerning any weaknesses or any deficiencies in the design or operation of internal controls or disclosure controls reported to the Audit Committee in connection with the certification of forms by the CEO or the CFO for filing with applicable securities regulators.
- (35) Review the adequacy of the Company's internal accounting controls and management information systems and its financial and accounting personnel (including any fraud).

Risk Management

- (36) Review the Company's program of risk assessment and steps taken to address significant risks or exposures of all types, including insurance coverage and tax compliance.

General

- (37) If considered appropriate, conduct or authorize investigations into any matters within the Committee's scope of activities. The Committee is empowered to retain independent counsel, accountants and other professionals to assist it in the conduct of any such investigation or otherwise as it determines necessary to carry out its duties. The Committee may set and pay (at the expense of the Company) the compensation for any such advisors.
- (38) Perform any other activities as the Committee deems necessary or appropriate.
- (39) Conduct a review regularly of the performance of the Committee and its members, including compliance with this Charter.

SECTION 4 COMMITTEE COMPLAINT PROCEDURES

Submitting a Complaint

- (1) Anyone may submit a whistle blower notice or complaint regarding conduct by the Company or its subsidiaries or their respective employees or agents (including its independent auditors) reasonably believed to involve questionable accounting, internal accounting controls or auditing matters. The Chair of the Committee should oversee the treatment of such complaints.

Procedures

- (2) The Chair of the Committee is designated to receive and administer or supervise the administration of employee complaints.
- (3) In order to preserve anonymity when submitting a complaint regarding questionable accounting or auditing matters, the employee may submit a complaint to the following confidential e-mail address craig.reith@rogers.com, or by confidential mail to: "Personal and Confidential to be Opened by Addressee Only" to Craig Reith Director, Olivut Resources Ltd., 6 Annesley Avenue, Toronto, ON M4G 2T6.

Investigation

- (4) The Chair of the Committee should review and investigate the complaint. Corrective action should be taken when and as warranted.

Confidentiality

- (5) The identity of the complainant and the details of the investigation should be kept confidential throughout the investigatory process.

Records and Report

- (6) The Chair of the Committee should maintain a log of complaints, tracking their receipt, investigation, findings and resolution, and should prepare a summary report for the Committee.

SECTION 5 LIMITATIONS ON COMMITTEE'S DUTIES

- (1) In contributing to the Committee's discharge of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which they are otherwise subject as directors.
- (2) Notwithstanding the foregoing and subject to applicable law, the Committee shall not be responsible to prepare financial statements, to plan or conduct internal or external audits or to determine that the Company's financial statements are complete and accurate and are in accordance with Canadian generally accepted accounting principles, to conduct investigations, or to ensure compliance with the Company's internal policies, procedures and controls, as these are the responsibility of management and in certain cases the external auditor. Nothing contained in this Charter is intended to require the Committee to ensure the Company's compliance with applicable laws or regulations.
- (3) The Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Company's securityholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to securityholders of the Company or other liability whatsoever.